

87th Legislative Session – 2012

Committee: Senate Commerce and Energy

Wednesday, February 08, 2012

P - Present
E - Excused
A - Absent

Roll Call

P Adelstein
P Buhl
P Johnston
P Lederman
P Rave
P Nygaard, Vice-Chair
P Nelson (Tom), Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Vice-Chair, Senator Eldon Nygaard.

MOTION: TO APPROVE THE MINUTES OF TUESDAY, FEBRUARY 7TH

Moved by: Rave
Second by: Nelson (Tom)
Action: Prevailed by voice vote.

SB 155: prohibit the employment of unauthorized aliens and to provide penalties therefor.

Opponents: Nathan Sanderson, Office of the Governor
Bob O'Connell, Sioux Falls Area Chamber of Commerce
Sister Janet Horstman, self, Sioux Falls
David Owen, SD Chamber of Commerce and Industry
Michael Held, SD Farm Bureau (Handout #1)
Marlene Schulz, SD Association of Social Workers
Julie Johnson, Absolutely Aberdeen
Deb Mortenson, Associated General Contractors of SD, Incorporated.
Shawn Lyons, SD Retailers Association

Michele Brich, SD Innkeepers Association

MOTION: DEFER SB 155 TO THE 41ST LEGISLATIVE DAY

Moved by: Buhl

Action: Died for lack of a second.

MOTION: DO PASS SB 155

Moved by: Adelstein

Second by: Lederman

Action: Prevailed by roll call vote. (5-2-0-0)

Voting Yes: Adelstein, Johnston, Lederman, Rave, Nelson (Tom)

Voting No: Buhl, Nygaard

SB 166: require evidence of financial responsibility at the time of vehicle registration, to provide for a motor vehicle insurance data base, and to provide for the administration thereof.

Presented by: Senator Mike Vehle

Opponents: Mike Shaw, Property Casualty Insurance Association of America and DeSmet Insurance Company of SD
Dick Tieszen, State Farm Insurance (Handout #2)
Dennis Duncan, Allstate Insurance Company and SD Insurance Alliance

MOTION: AMEND SB 166

166ja

On page 2, line 22, of the printed bill, after "disclose" insert "only".

On page 2, line 23, delete everything after "." .

On page 2, delete line 24.

On page 3, delete line 1.

On page 3, line 18, after "company" insert "intentionally".

On page 3, line 19, after ", " insert "without good cause,".

Moved by: Rave
Second by: Johnston
Action: Prevailed by voice vote.

THE CHAIR DEFERRED SB 166 UNTIL THURSDAY, FEBRUARY 9TH

SB 94: establish a pilot uninsured motorist identification database program and to make an appropriation therefor.

Presented by: Senator Deb Peters
Proponents: Matt Krogman, Insure-Rite, Inc
Opponents: Mike Shaw, Property Casualty Insurance Association of America and DeSmet Insurance Company of SD
Dick Tieszen, State Farm Insurance

MOTION: AMEND SB 94

94oc

On the printed bill, delete everything after the enacting clause and insert:

" Section 1. Terms used in this Act mean:

- (1) "Database," the uninsured motorist identification database created by this Act;
- (2) "Designated agent," the third party the department contracts with pursuant to section 4 of this Act;
- (3) "Division," the Division of Motor Vehicles;
- (4) "Motor vehicle," a noncommercial motor vehicle for which license fees are determined pursuant to §§ 32-5-6, 32-5-6.1, 32-5-6.3, and 32-5-9 and a commercial motor vehicle for which license fees are determined pursuant to chapter 32-9; and
- (5) "Program," the uninsured motorist identification database program created by this Act.

Section 2. There is created the uninsured motorist identification database program to:

- (1) Establish an uninsured motorist identification database to verify compliance with financial responsibility as defined by §§ 32-35-115 and 32-35-119; and
- (2) Provide sufficient data to allow the division to evaluate whether or not such a program is in the best interest of the state.

Section 3. The program shall be administered by the division with the assistance of the designated agent.

Section 4. The division shall contract in accordance with chapter 5-18A with a third party to establish and maintain an uninsured motorist identification database for the purposes established in section 2 of this Act.

Section 5. The third party under contract pursuant to section 4 of this Act is the division's designated agent and shall develop and maintain a computer database from the information provided by:

- (1) Insurers pursuant to sections 13 and 14 of this Act; and
- (2) The division pursuant to section 8 of this Act.

Section 6. The designated agent shall develop reports that will allow the division to evaluate the program and shall be in a form and contain information approved by the division. The reports may be made available through the internet or through other electronic medium, if the division determines that sufficient security is provided to ensure compliance with this Act regarding limitations on disclosure of information in the database.

Section 7. With information provided by the division, the designated agent shall, at least monthly for submissions pursuant to section 14 of this Act for commercial motor vehicles or at least twice a month for submissions pursuant to section 14 of this Act for noncommercial motor vehicles:

- (1) Update the database with the motor vehicle insurance information provided by the insurers in accordance with section 14 of this Act; and
- (2) Compare all current motor vehicle registrations against the database.

Section 8. The division shall provide the designated agent with a record of the registration of each motor vehicle as defined by this Act. The record shall be provided to the designated agent before the seventh and the twenty-first day of each calendar month.

Section 9. The designated agent shall archive computer data files at least semi-annually for auditing purposes. The Department of Revenue shall audit the designated agent at least once during

the pilot program. The audit shall include the accuracy of the designated agent's matching of vehicle registration with insurance data.

Section 10. Any person who knowingly releases or discloses information from the database for a purpose other than those authorized by this Act or to a person who is not entitled to it is guilty of a Class 1 misdemeanor.

Section 11. An insurer is not liable to any person for complying with section 13 or 14 of this Act.

Section 12. Neither the state nor the department's designated agent is liable to any person for gathering, managing, or using the information in the database.

Section 13. Each insurer that issues a policy that includes motor vehicle liability coverage, uninsured motorist coverage, underinsured motorist coverage or personal injury coverage on a motor vehicle shall before the seventh and the twenty-first day of each calendar month provide to the designated agent a record of each motor vehicle insurance policy in effect for vehicles registered or garaged in the state as of the previous submission that was issued by the insurer.

Section 14. A record provided by an insurer pursuant to the provisions of section 13 of this Act shall include:

- (1) The name, date of birth, driver license number, if the insured provides a driver license number to the insurer, of each insured owner or operator, and the address of the named insured;
- (2) The make, year, and vehicle identification number of each insured vehicle; and
- (3) The policy number, effective date, and expiration date of each policy.

Each insurer shall provide this information by an electronic means or by another form the designated agent agrees to accept.

Section 15. The secretary of the Department of Revenue may assess a civil penalty of up to two hundred fifty dollars for each day the insurer fails to comply with section 13 of this Act. Any civil penalty collected pursuant to this section shall be deposited into the general fund. If any issuer shows that the failure to comply with section 13 of this Act was inadvertent, accidental, or the result of excusable neglect, the secretary shall excuse the fine.

Section 16. The provisions of this Act are repealed on January 31, 2013."

Moved by: Rave

Second by: Lederman
Action: Prevailed by voice vote.

THE CHAIR DEFERRED SB 94 UNTIL THURSDAY, FEBRUARY 9TH

SB 178: amend the criteria for construction manager engagement.

Presented by: Senator Shantel Krebs
Proponents: Gil Haugon, Self, Sioux Falls
Opponents: Jay Rasmussen, self, Sioux Falls
Jerry Johnson, self, Sioux Falls
Meredith Larson, self, Sioux Falls

THE CHAIR DEFERRED SB 178 UNTIL THURSDAY, FEBRUARY 9TH

MOTION: ADJOURN

Moved by: Rave
Second by: Johnston
Action: Prevailed by voice vote.

Lois Henry
Committee Secretary

Eldon Nygaard, Vice-Chair